A0400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — JULY 1991

INDUSTRY NET SHIPMENTS DOWN 5.8 PERCENT FROM 1990

Based on preliminary figures for five months of 1991, net shipments totaling 6,340 million pounds, decreased 5.8 percent from the five month 1990 total of 6,728 million pounds. Domestic shipments, totaling 5,164 million pounds, declined 7.9 percent from the 1990 total of 5,607 million pounds.

U.S. exports of aluminum ingot and mill products totaled 1,176 million pounds during the five months of 1991, an increase of 4.9 percent from the five month 1990 total of 1,121 million pounds.

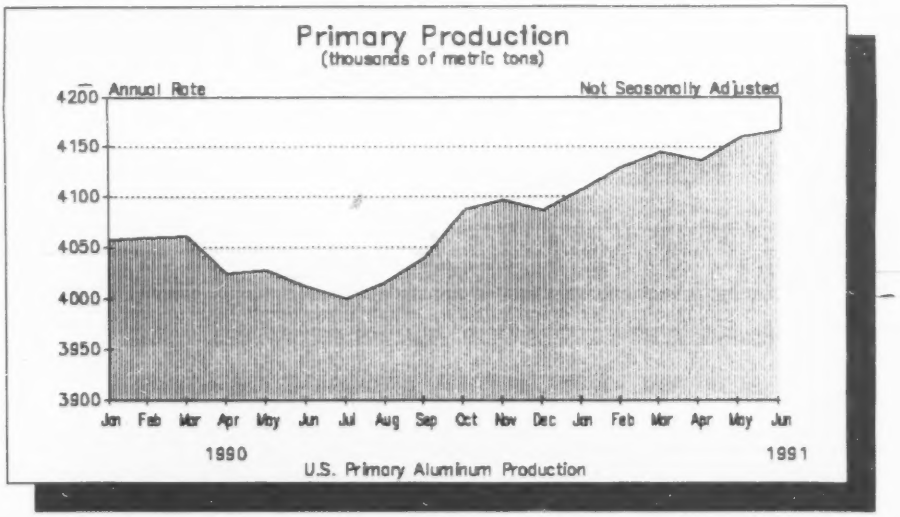
THRU MAY 1991

	1991 5 Mos.	1990 5 Mos.	% Change
Mill Products	5,148	5,536	-7.0
Ingot	1,192	1,192	-
Total	6,340	6,728	-5.8
Less Exports	1,176	1,121	4.9
Domestic Total	5,164	5,607	-7.9

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

JUNE PRODUCTION AVERAGES 11,419 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,419 metric tons daily during June 1991. This compares with an average of 10,993 metric tons a day in June 1990 and 11,398 metric tons a day in May 1991. The annual rate of production in June 1991 was 4,167,947 metric tons compared with 4,012,482 metric tons in June 1990 and 4,160,423 metric tons in May 1991. Production in June 1991 totaled 342,571 metric tons.

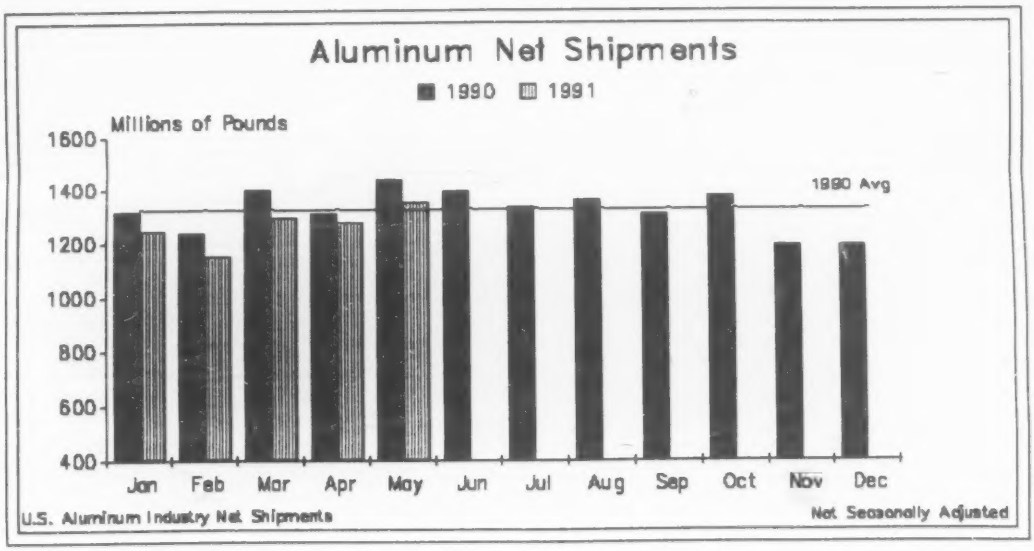


This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Association Incorporated
900 19th Street, N.W., Washington, D.C. 20006
Phone (202) 862-5100

MAY SHIPMENTS REPORTED AT 1,299 MILLION POUNDS

According to Bureau of the Census reports, May industry net shipments totaling 1,355 million pounds, increased 5.8 percent from the previous month's revised total of 1,280 million pounds. Compared to the previous year, reported industry net shipments of 6,340 million pounds, declined 5.8 percent from the 1990 total of 6,728 million pounds. During the first five months, Census reported that producer shipments of aluminum rod, bar and wire, totaling 103 million pounds, have declined 20.7 percent from the previous year and shipments of sheet, plate and foil totaling 3420 million pounds decreased 2.5 percent. Shipments of extruded shapes and tube, totaling 932 million pounds, declined 14.6 percent.

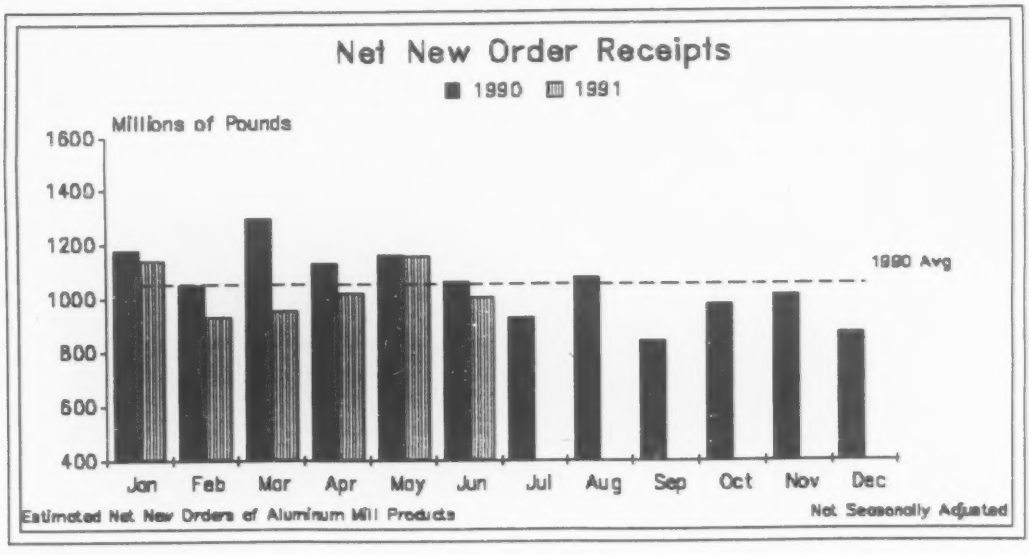


NET SHIPMENTS (Millions of Pounds)	1991 May	1990 May	1991 5 Mos.	1990 5 Mos.	% Change 1991 vs 1990
Sheet	649.8	657.3	2,956.3	3,009.8	-1.8
Plate	24.3	21.9	117.4	109.6	7.2
Foil	71.4	81.2	346.3	391.2	-11.5
Rod,Bar & Wire	24.3	25.7	103.1	130.0	-20.7
Elec. Conductor	47.3	53.5	244.8	253.0	-3.2
Extruded Shapes,Tube	200.0	227.8	931.6	1,090.9	-14.6
Powder & Paste	8.0	8.6	40.5	38.4	5.4
Forgings & Impacts	11.4	14.3	60.2	66.0	-8.9
Imports of Mill Products (Total) (a)	69.9	88.7	347.6	447.2	-22.3
Total Mill Products	1,106.4	1,179.1	5,147.8	5,536.1	-7.0
Ingot	248.6	264.4	1,192.3	1,192.1	-
TOTAL INDUSTRY SHIPMENTS	1,354.9	1,443.5	6,340.1	6,728.1	-5.8
Exports	241.1	191.3	1,176.3	1,121.1	4.9
TOTAL DOMESTIC SHIPMENTS	1,113.8	1,252.2	5,163.8	5,607.1	-7.9

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cumulative data includes revisions for previous periods
(a) Not included in product data above.

JUNE ORDERS ESTIMATED AT 1,006 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for June 1991 totaled 1,006 million pounds, a decrease of 13.1 percent from the revised May 1991 total of 1,157 million pounds. Year-to-Date, industry order receipts were estimated at 6,215 million pounds, down 9.8 percent from the 1990 total of 6,888 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1991 June	1990 June	1991 6 Mos.	1990 6 Mos.	% Change 1991 vs 1990
Sheet & Plate, Other	357.6	354.6	1,910.6	2,308.1	-17.2
Can Stock (a)	311.6	337.4	2,188.6	2,135.7	2.5
Foil	69.6	74.7	433.3	541.3	-20.0
Bar, Rod & Wire	36.9	37.9	226.8	281.5	-19.4
Electrical Conductor	41.8	54.4	295.0	267.2	10.4
Extruded Shapes & Tube	168.9	184.5	1,037.6	1,219.1	-14.9
Powder & Paste	8.4	8.4	60.2	68.1	-11.6
Forgings & Impacts	10.7	11.7	62.4	66.5	-6.2
Total Mill Products	1,005.5	1,063.6	6,214.5	6,887.5	-9.8

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cumulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECREASE 26 MILLION POUNDS

Reported producer inventories decreased in May 1991 to a reported total of 4,170 million pounds. This represents a 26 million pound decline from the revised April level of 4,196 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
March	4,256	1,585	574	2,096
April	4,196r	1,536r	580r	2,080r
May	4,170	1,603	568	1,999

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 34.6 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of May 31, 1991 was 30.3, a drop of 12.4 percent over inventories reported at the end of April.

Month-End Aluminum Customer Inventories
(Average Number of Days)

March	33.2
April	34.6
May	30.3

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 May	1990 May	1991* 5 Mos.	1990 5 Mos.	% Change 1991 vs 1990
Imports	Mill Products	69.9	88.7	347.6	447.2	-22.3
	Ingot	187.7	199.7	918.7	925.5	-0.7
	Total	257.6	288.4	1,266.3	1,372.8	-7.8
	Scrap (+ dross)	41.2	42.1	182.8	268.2	-31.8
	Grand Total	298.8	330.5	1,449.1	1,641.0	-11.7
Exports	Mill Products	115.8	99.5	508.0	451.7	12.5
	Ingot	125.3	91.9	668.4	669.4	-0.1
	Total	241.1	191.3	1,176.3	1,121.1	4.9
	Scrap	126.5	77.7	568.8	484.9	17.3
	Grand Total	367.6	269.0	1,745.1	1,605.9	8.7
Net Imports		-68.8	61.5	-296.0	35.0	-945.3

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Cummulative data may include revisions for previous periods